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23 November 1970

MEMORANDUM FOR: Deputy Director of Security (PS)

SUBJECT : Management Improvement Program

1. This is the IRD response to the matter referred to in the EPD memorandum of 13 November 1970.

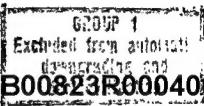
2. As we see it, the key point of the program set forth in Circular A-44 and the Agency instructions is described in that part of the Agency instructions which require management to identify on an overall basis management improvement and cost reduction objectives on both program and component bases. Circular A-44 contemplates that management will select and then concentrate on "persistent problems of high level priority." Both sets of documents require that the problem areas be identified, goals be set, and means to measure degree of attainment of these goals be established.

3. On the basis of terms of these papers, our initial response is negative. That is:

- a. From the IRD point of view, we have no goals which we can establish on our own which will increase efficiency or reduce costs as a result of deliberate management planning and which are susceptible to measurement.
- b. From the IRD point of view, we have no cost reduction goals which we can establish and which are not included in the list of cost reduction actions which cannot be counted.

4. This does not mean that we are not concerned with management improvement and cost reduction. Funds for staffing and funds for other purposes are, however, dependent upon the extent of the demand for our product and reductions in funds based on reduction of demand are outside the scope of A-44. We are concerned with increasing efficiency and reducing costs and shall keep all phases of work under review for this purpose.

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5. We know that we have to improve what A-44 describes as operating procedures and techniques; in the substantive aspect of our work the polygraph countermeasures programs make this vital. To say this, however, is not to say that we know how to do it.

6. Insofar as identifying and curtailing low priority and marginally effective activities are concerned, we have

marginally effective. Our customers must make the initial determination as to portions of their requests which should be eliminated.

7. Other activities are training and research. Training will always be a necessary function; research, again considering the hazards in countermeasures programs, will be never ending.

8. On the overhead side of IRD, our efforts consist largely of placing reports in the hands of customers, record retention and disposal programs, and scheduling of cases and examiner trips and duties. I do not see that we have much opportunity for "increasing productivity" as called for by A-44. This would mean, in our terms, more cases per day per man. I believe we have reached a proper balance now since we were and would be faced with this problem: the more cases a man does per day the less useful (and valid) is the output.

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9. We have the continuing goal of improving efficiency. Since the effort involved in getting to a case and in reporting on a case is indeed minimal, the key item in improving efficiency is to make the results in each case count for more. The problem of polygraph countermeasures brings this into focus. We shall have to look to both research and training to improve the accuracy and hence the validity and utility of our product and to do this without there being any real improvement in what is essentially a no feedback, no measurement situation.

Chief, Interrogation Research Division

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